



DEPARTMENT OF VETERANS AFFAIRS
Deputy Assistant Secretary for Acquisition and Materiel Management
Washington DC 20420

IL 049-03-14
September 17, 2003

OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Chief Facilities Management Officer, Office of Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Distribution Center, Austin Automation Center, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center; and the Executive Director and Chief Operating Officer, VA National Acquisition Center

ATTN: Head of the Contracting Activity, VA Contracting Officers, Purchase Cardholders, and All Other VA Employees Involved With Acquiring Goods and Services

SUBJ: Contracting With Veteran-Owned and Service-Disabled Veteran-Owned Small Businesses

1. In Fiscal Year 2002, the Department of Veterans Affairs (VA) did not meet its 7 percent goal for award of contracts to veteran-owned (VO) small businesses or its 3 percent statutory goal for award to service-disabled veteran-owned (SDVO) small businesses. VA's actual accomplishments were only 3.42 percent and .61 percent, respectively. While figures have improved over the years, the accomplishments are still lagging. Efforts to purchase from VO and SDVO small businesses are directly linked to and fully support VA's Strategic Goals:

Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.

Supporting the service-disabled veterans who own their own businesses can contribute significantly toward restoring their capability and the quality of their lives.

Goal 2: Ensure a smooth transition of veterans from active military service to civilian life.

Here, too, supporting the veterans who start up their own businesses can smooth their transition from active duty to civilian life.

Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.

Buying from veteran-owned businesses honors and serves the veterans who own those firms.

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Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.

Buying from VO and SDVO small businesses directly supports the socioeconomic well-being of the Nation and is directly linked to VA's reason for existence. Of all agencies, VA should be a leader in supporting VO and SDVO small businesses.

2. It is imperative that all VA employees involved with the acquisition decision-making process, including service chiefs and staff, take an active role in promoting VA's acquisition of goods and services from VO and SDVO small businesses. It is not just contracting officers or purchase cardholders who need to be involved. End users who make the initial recommendations on what to buy and from whom play a critical role in the acquisition process and must take an active part in seeking out and supporting veteran-owned firms. Acquisition planning and market research are team efforts, and every member of the team must participate in locating and using VO and SDVO small businesses. Acquisition planning must start with the first inclination of need and must include a search for VO and SDVO small businesses that can furnish the goods or services required.

3. The head of the contracting activity or the senior contracting official at each medical center and other VA contracting offices must appoint a team to search out VO and SDVO firms among the small businesses that are currently used. Staff assigned to the team should contact the owners of each small business that the facility routinely contracts with, or routinely buys from using purchase cards, to determine whether or not the firm is at least 51 percent owned by a veteran and, if so, whether or not the veteran owner is service-disabled. A veteran with a service-connected disability rating from VA, even a zero percent evaluation for which he or she is not receiving compensation, is still considered to be "service-disabled." A firm whose management and daily business operations are controlled by a spouse or permanent caregiver of a service-disabled veteran owner who is permanently and severely disabled is eligible for SDVO status. Many small business owners may not realize the advantages of being known as a VO or a SDVO small business. Also, many veteran small business owners may not be aware that they qualify as service-disabled veterans. The staff conducting the survey should ensure that data in the local Integrated Funds Distribution, Control Point Activity, Accounting, and Procurement (IFCAP) System is current and that it reflects the actual socioeconomic status of the vendors contacted.

4. Small business owners who qualify as veterans or service-disabled veterans should be encouraged to register with, or update their registration with, the Central Contractor Registration (CCR) and with VA's own VetBiz Vendor Information Pages (VIP). Small business owners who are not registered should be provided with the Website addresses for CCR (<http://www.ccr.gov>) and VetBiz (<http://www.vetbiz.gov>) and offered assistance in registering, if needed. By registering in CCR, firms will be automatically registered in the Small Business Administration's PRO-Net site and,

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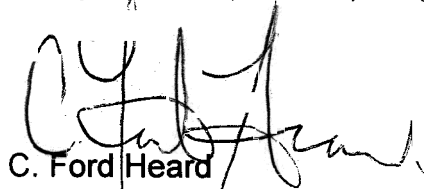
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on a quarterly basis, will be provisionally registered in VetBiz VIP. However, firms will need to verify their provisional VetBiz VIP registration. Registration or verification of provisional registration on VetBiz is an extra step, but will help the firms obtain VA and other Government business. Contracting officers can also provisionally register VO and SDVO small businesses on VetBiz VIP by posting information contained on a company's business card or capability statement. The vendors will have to verify any provisional information posted by contracting officers.

5. Contracting officers and purchase cardholders are advised to use the CCR (<http://www.ccr.gov>) (click on the "Search CCR" button on the left) and VetBiz VIP (<http://www.vetbiz.gov>) Websites to search for VO and SDVO small businesses. For instance, a search in CCR for North American Industry Classification System (NAICS) code 339112, surgical and medical instrument manufacturing, located 83 small businesses that are owned by veterans, 16 of which are service-disabled veterans. There are over 233,000 firms currently registered in CCR. The old Standard Form 129 has been replaced with registration in CCR. Thus, CCR should be the primary source for locating bidders for open market acquisitions, and special emphasis should be placed on locating VO and SDVO small businesses.

6. Purchase cardholders are strongly encouraged to use the "detailed" process in IFCAP when entering all purchase card transactions and to log the socio-economic status of each vendor into IFCAP. All VA contracting offices, including all prosthetic offices, are strongly encouraged to report all purchase card transactions at or below \$2,500 to VA's internal Federal Procurement Data System (FPDS) Purchase Card Action Report (PCAR). It is imperative that all acquisitions from VO and SDVO small businesses, regardless of dollar value and method of purchase or payment, be accounted for in VA's socioeconomic statistics. Please make every effort to report any and all applicable data that will help improve VA's statistics.

7. Supporting VO and SDVO small business is a worthy effort and is directly tied to VA's mission and goals and VA's very reason for existence. If not VA, then who will support veterans? VA should and must be the Federal Government leader in providing support to veterans, not only in its medical and benefits programs but also in its business dealings with the veteran community. Veterans deserve nothing less. Thank you for your continuing support of veterans. Please direct any questions regarding the above guidance to Don Kaliher, Acquisition Policy Division (049A5A), at (202) 273-8819.



C. Ford Heard
Acting Associate Deputy Assistant Secretary
for Acquisitions

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